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REPORT OF THE PROGRAMME AND BUDGET COMMITTEE ON THE WORK OF ITS NINTH SESSION

(26-30 April 1993)

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Introduction

1. The Programme and Budget Committee held its ninth session at UNIDO Headquarters, Vienna International Centre, from 26 to 29 April 1993. The following 23 members of the Committee participated in the session: Algeria, Austria, Brazil, Bulgaria, China, Colombia, Cuba, Egypt, France, Germany, India, Italy, Japan, Mexico, Netherlands, Nigeria, Philippines, Poland, Qatar, Russian Federation, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America.

2. The following 48 Members of UNIDO also attended the session: Argentina, Australia, Belarus, Belgium, Canada, Chile, Costa Rica, Croatia, Democratic People's Republic of Korea, Denmark, Ecuador, Finland, Greece, Hungary, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Jordan, Kuwait, Lebanon, Luxembourg, Morocco, Namibia, Nicaragua, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Portugal, Republic of Korea, Romania, Saudi Arabia, Spain, Sudan, Switzerland, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, Venezuela, Viet Nam, Yemen, Zimbabwe.

3. The United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization and the International Organization for Migration were represented.

4. In accordance with rule 17 of its rules of procedure, the Committee elected by acclamation J. Y. Jamal (Qatar) as Chairman; L. Carrillo (Cuba), Y. V. Zaitsev (Russian Federation), and C. Hulse (United Kingdom of Great Britain and Northern Ireland) as Vice-Chairmen; and T. M. El Kouny (Egypt) as Rapporteur.

5. The agenda for the ninth session as adopted by the Committee is contained in document PBC.9/1. Following the adoption of the agenda, the Director-General made an introductory statement, which was duly taken into account by the Committee in the consideration of the relevant agenda items.

6. The report of the Programme and Budget Committee is submitted to the Industrial Development Board in accordance with Article 10.4 (d) of the Constitution.

7. The report contains the conclusions reached by the Committee. Statements made in connection with the adoption of conclusions are contained in annex I to the report. Annex II contains a list of documents submitted to the Committee at its current session.

8. The following conclusions of the Committee contain recommendations that call for action by the Board at its eleventh session or are of relevance to the work of that session:

Conclusion	Subject
93/2	Financial situation of UNIDO
93/3	Interim financial performance report and programme performance report for the biennium 1992-1993
93/4	Programme and budgets, 1994-1995
93/5	Scale of assessments for apportionment of the regular budget expenses
93/6	Working Capital Fund for the biennium 1994-1995
93/7	Industrial Development Fund
93/8	Recommendations for appointment of an external auditor
93/9	UNIDO Country Director programme

I. ORGANIZATIONAL MATTERS

9. On 26 April, the Committee considered a proposal by the Chairman to optimize the utilization of available conference-servicing resources and adopted the following conclusion:

Conclusion 93/1

The Committee, with the aim of utilizing the available conference-servicing resources to the maximum extent possible, decided to suspend with immediate effect rule 24 of its rules of procedure relating to the quorum, for the meetings of its ninth session only, provided no substantive decisions were taken at those meetings.

10. The Committee also decided to set up informal in-session consultations with the aim of facilitating the drafting of conclusions and entrusted Vice-Chairman C. Hulse (United Kingdom of Great Britain and Northern Ireland) to chair those consultations.

II. FINANCIAL SITUATION OF UNIDO

11. On 26 April, the Committee considered a report by the Director-General on the financial situation of UNIDO (PBC.9/8) and an update thereto (PBC.9/CRP.2).

12. On 29 April, after consideration of a draft conclusion on the financial situation of UNIDO submitted by the Chairman (PBC.9/L.6), the Committee adopted the following conclusion:

Conclusion 93/2

The Programme and Budget Committee, having considered the financial situation of UNIDO, recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board,

"(a) Takes note of the report of the Director-General on the financial situation of UNIDO (IDB.11/6-PBC.9/8) containing information concerning the status of assessed contributions, advances to the Working Capital Fund, cash flow estimates, regular budget performance, revised appropriations for 1992-1993 and regular and operational budget plans of action;

"(b) Expresses deep concern at the non-payment and late payment by some Member States, in particular the main contributors, of assessed contributions and of advances to the Working Capital Fund;

"(c) Urges those Member States which have not yet paid their assessed regular budget contributions, including advances to the Working Capital Fund, for the bienniums 1986-1987 to 1992-1993 to do so without delay;

"(d) Requests the Director-General to give particular attention to the substantive areas of the Organization and in doing so to exert his utmost to minimize administrative and support expenses;

"(e) Recommends to the General Conference the approval of the adjustments to the 1992-1993 scale of assessments as described in paragraphs 9 to 13 of the report on the financial situation of UNIDO (IDB.11/6-PBC.9/8);

"(f) Requests the Director-General to consult with the Czech Republic and Slovakia to pay, on a provisional basis, mutually agreed estimates in accordance with document IDB.11/6-PBC.9/8, paragraph 14;

"(g) Recommends to the General Conference that it approve at its fifth session the temporary suspension of financial regulations 4.2 (b) and 4.2 (c), with respect to the 1990-1991 biennium so as to allow the non-budgetary (temporary) allocation of the unutilized balances of $8,746,822 as reported in document PBC.9/7, statement II.B, to strengthen the statutory cash resource base of the Organization."

III. INTERIM FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT FOR THE BIENNIUM 1992-1993

13. On 26 April, the Committee considered the interim financial performance report for the biennium 1992-1993 submitted by the Director-General (PBC.9/7 and Corr.1) and the Annual Report of UNIDO, 1992 (PBC.9/10).

14. On 29 April, after consideration of an oral proposal by the Chairman, the Committee adopted the following conclusion:

Conclusion 93/3

The Programme and Budget Committee took note of the interim financial performance report for the biennium 1992-1993 submitted by the Director-General (PBC.9/7 and Corr.1) and the Annual Report of UNIDO, 1992 (PBC.9/10).

IV. PROGRAMME AND BUDGETS, 1994-1995

15. On 27 April, the Committee considered the proposals of the Director-General for the programme and budgets, 1994-1995 (PBC.9/2) and a note by the Director-General on the implications of the withdrawal of Canada (PBC.9/11).

16. On 29 April, after consideration of a draft conclusion on the programme and budgets, 1994-1995 submitted by the Chairman (PBC.9/L.5), the Committee adopted the following conclusion:

Conclusion 93/4

The Programme and Budget Committee:

(a) Considered the proposals of the Director-General for the programme of work 1994-1995 and the corresponding total resource requirements by major programmes to be financed from the regular and operational budgets, as contained in document PBC.9/2;

(b) Noted that the exchange rate applied in those estimates was US$ 1 = AS 12.90 for the regular and operational budgets and that those estimates would be adjusted in accordance with financial regulation 5.1, paragraph (d), prior to the end of the fifth session of the General Conference;

(c) Noted that the inflation rates would also be updated prior to the end of the fifth session of the General Conference;

(d) Recommended that the Industrial Development Board adopt the net resource requirements for the activities to be financed from the regular budget not exceeding an amount of $197,451,500 at an exchange rate of US$ 1 = AS 12.90;

(e) Requested the Director-General to revise accordingly his programme and budget proposals for the 1994-1995 biennium, as set out in document PBC.9/2, within the ceiling set in paragraph (d) above, representing a 4.25 per cent budget reduction and to submit those to a resumed ninth session of the Programme and Budget Committee, through:

(i) A review and adjustment of the revaluation of at least $1.5 million;

(ii) Reducing the budget estimates by approximately $3 million by applying a vacancy factor of 7 per cent to Professional-level posts and effecting other economies, including, inter alia, measures in line with the recommendations of the External Auditor, and programme budget adjustments;

(iii) A downward adjustment of the inflation estimates of approximately $4.3 million;

(f) Proposed the continued application of the split currency system of assessments in the proportions of 12 per cent in United States dollars of the appropriation expressed at US$ 1 = A$ 12.90 and the balance in Austrian schillings;

(g) Took note of the proposals for the operational budget as contained in document PBC.9/2 and requested the Director-General, in the light of the views expressed by the members of the Committee at its ninth session and the updated information now available, to revise his proposals and to submit them to the resumed ninth session of the Programme and Budget Committee;

(h) Also requested the Director-General to convene a resumed ninth session of the Programme and Budget Committee on 28 June 1993 for the purpose of considering the revised proposals for the programme and budgets, 1994-1995.

V. SCALE OF ASSESSMENTS FOR APPORTIONMENT OF THE REGULAR BUDGET EXPENSES

17. On 27 April, the Committee considered a note by the Secretariat on the scale of assessments for the fiscal period 1994-1995 (PBC.9/5).

18. On 29 April, after consideration of a draft conclusion on the scale of assessments for apportionment of the regular budget expenses submitted by the Chairman (PBC.9/L.8), the Committee, after introduction of an amendment by the delegation of the Philippines, adopted the following conclusion:

Conclusion 93/5

The Programme and Budget Committee:

(a) Took note of document PBC.9/5 on the scale of assessments for the fiscal years 1994-1995;

(b) Expressed its regrets as to the decision of the Government of Canada to withdraw from UNIDO and, at the same time, expressed the hope that the said Government would reconsider its decision in the near future;

(c) Reiterated the need to preserve the capacity of the Organization to cope with its mandates;

(d) Considered the information contained in document PBC.9/5, and requested the Director-General to submit to the eleventh session of the Industrial Development Board a scale of assessments for regular budget expenditures for 1994-1995 calculated on the basis of the membership of the Organization in that biennium;

(e) Proposed to the Industrial Development Board that it recommend to the General Conference the establishment of a scale of assessments for the biennium 1994-1995, based on the scale most recently employed by the United Nations, to be adjusted to the membership of UNIDO.

VI. WORKING CAPITAL FUND FOR THE BIENNIUM 1994-1995

19. On 27 April the Committee considered proposals by the Director-General on the Working Capital Fund for the biennium 1994-1995 (PBC.9/3) and a report by the Director-General on the financial situation of UNIDO containing the status of advances to the Working Capital Fund as of 28 February 1993 (PBC.9/8, annex II).

20. On 29 April, after consideration of a draft conclusion on the Working Capital Fund for the biennium 1994-1995 submitted by the Chairman (PBC.9/L.1), the Committee adopted the following conclusion:

Conclusion 93/6

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the proposals by the Director-General on the Working Capital Fund for the biennium 1994-1995 as contained in document PBC.9/3;

"(b) Recommends to the General Conference that the level of the Working Capital Fund and the authorized purposes of the Fund for the 1994-1995 biennium remain the same as for the 1992-1993 biennium, i.e. as stipulated in decision GC.2/Dec.27, paragraph (b);

"(c) Urges Member States to pay their outstanding assessed contributions as soon as possible to facilitate reimbursement to the Working Capital Fund."

VII. INDUSTRIAL DEVELOPMENT FUND AND OTHER VOLUNTARY CONTRIBUTIONS

21. On 27 April the Committee considered a report by the Director-General on the estimated resource level and programme for 1994 and 1995 for the Industrial Development Fund (IDF) (PBC.9/4), the information contained in the Annual Report of UNIDO, 1992, on the nature of projects financed from IDF (PBC.9/10, chap. III, paras. 129-139 and appendix G) and a conference room paper providing lists of projects approved under IDF (PBC.9/CRP.1).

22. On 29 April, after consideration of a draft conclusion on the Industrial Development Fund submitted by the Chairman (PBC.9/L.2), the Committee adopted the following conclusion:

Conclusion 93/7

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Recalls General Conference decision GC.4/Dec.21 on the Industrial Development Fund;

"(b) Takes note of the report of the Director-General on the Industrial Development Fund (IDF) contained in document

IDB.11/4-PBC.9/4 and the programming thrust for 1994-1995 proposed in chapter II of that document;

"(c) Decides to delegate authority to the Director-General to approve projects for financing under the Fund in 1994-1995 in accordance with the priority areas of the draft medium-term plan, 1994-1999 (IDB.10/5-PBC.8/10);

"(d) With reference to financial rule 106.11 and in order to strengthen the role of IDF as a programming mechanism allowing programming flexibility, urges all donor Governments to provide part of their contributions to the general-purpose convertible segment of the Fund so that a minimum annual level of $10 million may be achieved as soon as possible;

"(e) Encourages Member States to consider providing umbrella contributions for financing preparatory assistance activities of large-scale projects and programmes (IDB.10/2-PBC.8/2, para. 10) and/or as freely programmable contributions towards selected medium-term programme frameworks;

"(f) Encourages Member States to revise their IDF pledging policies to ensure that the desirable annual funding level of $50 million be reached as soon as possible."

VIII. RECOMMENDATIONS FOR APPOINTMENT OF AN EXTERNAL AUDITOR

23. On 27 April the Committee considered a note by the Secretariat on recommendations for appointment of an external auditor (PBC.9/12).

24. On 29 April, after consideration of a draft conclusion on the recommendations for appointment of an external auditor submitted by the Chairman (PBC.9/L.4), the Committee adopted the following conclusion:

Conclusion 93/8

The Programme and Budget Committee:

(a) Took note of the information contained in document PBC.9/12 concerning recommendations for appointment of an external auditor;

(b) Recommended to the Industrial Development Board to propose to the General Conference the appointment of an external auditor for UNIDO for a period of two years beginning on 1 July 1994, under the terms of reference specified in the Financial Regulations of UNIDO;

(c) Invited all Member States interested in providing the services of an external auditor to inform the Director-General of such interest by 31 May 1993, so that he could bring it to the attention of the Board at its eleventh session;

(d) Expressed its appreciation to the Senior President of the Court of Audit of Belgium and his staff for their excellent work and continuous efforts to improve the administration and management of the Organization during his tenure of office.

IX. UNIDO COUNTRY DIRECTOR PROGRAMME

25. On 27 April, the Committee considered a report by the Director-General on the financial situation of the UNIDO Country Director programme (PBC.9/9).

26. On 29 April, after consideration of a draft conclusion on the UNIDO Country Director programme submitted by the Chairman (PBC.9/L.7), the Committee adopted the following conclusion:

Conclusion 93/9

The Programme and Budget Committee:

(a) Recalled Industrial Development Board decision IDB.10/Dec.11 on the UNIDO Country Director (UCD) programme, as well as General Conference resolution GC.4/Res.4 on the same subject;

(b) Took note of the report by the Director-General on the financial situation of the UCD programme (PBC.9/9), in particular the considerations concerning the changing role and orientation of UNIDO's field presence and the different financial components required for funding such field presence;

(c) Emphasized the request in paragraph (g) of Board decision IDB.10/Dec.11 that the Director-General continue his efforts to improve the quality of the staff recruited to serve in UCD posts;

(d) Noted further the ongoing discussion on the restructuring of a unified United Nations field representation system, in particular United Nations General Assembly resolution 47/199;

(e) Appreciated highly the efforts of the United Nations Development Programme (UNDP) to rephase the sectoral support allocation for the fifth programming cycle, specifically increasing the amount of the allocation for the programme for 1992 and 1993;

(f) Considered that the achievement of the target set in Board decision IDB.8/Dec.14, or at least maintaining the present number of UCD posts, required, as a matter of urgency, financing from a combination of sources, inter alia, from UNDP funds, voluntary contributions and the UNIDO operational budget;

(g) Requested the Director-General to continue negotiations with UNDP on the most appropriate financing arrangement, bearing in mind the desire to increase or at least maintain the present number of UCD posts for the fifth programming cycle;

(h) Considered that the role of the UCDs should be defined as precisely as possible and the programme planned in full harmony with the new arrangements for a unified United Nations field representation;

(i) Requested the Director-General to prepare proposals for a programme framework for field representation as a basis for negotiating extrabudgetary financing as proposed in paragraph 28 of document PBC.9/9 in the light of the outcome of current discussions in the United Nations General Assembly, including possible redeployment of headquarters staff to the field to maintain the current level of UCDs;

(j) Invited the Governing Council of UNDP at its forty-first session (1994) to continue the financial support to the UCD programme in view of the importance attributed by the developing countries to that programme;

(k) Reiterated its appeal to Member States to provide new and additional voluntary contributions to the UCD programme;

(l) Called upon Member States to provide resources to the field representation programme and invited countries other than least developed countries hosting UCD offices to participate on a voluntary basis in the financing of local costs;

(m) Requested the Director-General to present detailed information on the UCD model office which has its local costs financed from the indicative planning figure (IPF) of the host country.

X. COMPUTERIZATION PROGRAMME OF UNIDO

27. On 27 April, the Committee considered a report by the Director-General on the computerization programme of UNIDO (PBC.9/6).

XI. DATE OF THE TENTH SESSION OF THE COMMITTEE

28. On 29 April the Committee, in agreement with a proposal of the Chairman, adopted the following conclusion:

Conclusion 93/10

The Programme and Budget Committee decided to hold its tenth session within the period 20 to 24 June 1994.

XII. ADOPTION OF THE REPORT AND SUSPENSION OF THE NINTH SESSION

29. On 29 April the Committee adopted the draft report of its ninth session (PBC.9/L.3) on the understanding that the Rapporteur would be entrusted with the task of finalizing the report.

30. On 29 April at 4.40 p.m. the ninth session of the Committee was suspended, to be resumed on 28 June 1993 for the consideration of the revised programme and budgets, 1994-1995 (see conclusion 93/4).

Annex I

STATEMENTS BY DELEGATIONS

1. The present annex contains statements of principle delivered by delgations in connection with the adoption of conclusions at the Programme and Budget Committee during its ninth session. These statements have been included at the request of the delegations concerned and as agreed to by the Chairman.

Financial situation of UNIDO
(cf. chap. II)

2. In connection with the adoption of conclusion 93/2, the delegation of the United States of America stated that, while not blocking consensus, they had to disassociate from it, since the repeated suspension of financial regulations, even though called "temporary" on each occasion, was becoming a regular management practice which was unsound. The delegation added that this disassociation from the consensus in no way implied any lack of confidence in or lack of support for the newly-elected Director-General. The United States Government was hopeful that, under his leadership, the constructive spirit of cooperation which had prevailed at the current session would continue to mark UNIDO's deliberations in the future on the full range of urgent issues facing the Organization.

Programme and budgets, 1994-1995
(cf. chap. IV)

3. In connection with the adoption of conclusion 93/4, the delegation of India stated that it had always been of the principle position - which indeed was the position of the Asian Group - that the budget of this important United Nations organization should be growth-oriented. For that reason, the delegation had supported option 4 in document PBC.9/11. The delegation was therefore disappointed with the conclusion which did not meet the expectations of the developing world, was not good for the Organization and did not project the image of a vibrant UNIDO, willing and able to help the developing countries in their industrialization efforts. While not wishing to block the consensus, the delegation would carefully follow the process of revision of the budget to ensure that programme activities did not suffer, and would reserve its right to go back to other options, if required.

4. The delegation of the Islamic Republic of Iran endorsed the position of the delegation of India.

Scale of assessments for apportionment of the regular budget expenses
(cf. chap. V)

5. In connection with the adoption of conclusion 93/5, the delegation of Ukraine stated that its Government could not agree with the planned increase in its assessment from 1.17 to 1.99 per cent. At the forty-seventh session of the United Nations General Assembly, a new scale of assessed contributions to that Organization's regular budget was adopted which took into account the redistribution of the contribution by the former Union of Soviet Socialist Republics. The decisions adopted led to an increase in the Ukrainian assessment by 58 per cent (from 1.18 to 1.87 per cent). When drafted, the fundamental principles and criteria used to determine the size of a particular country's assessment were not taken into consideration. The decision to increase the size of the assessment coincided with an extremely complex period in the history of Ukraine, which was experiencing huge economic difficulties involved in the formation of an independent State and the introduction of far-reaching political and eocnomic reforms, and which was bearing the astronomical cost of eliminating the consequences of the Chernobyl disaster. The Government of Ukraine, in a recent letter to the Secretary-General of the United Nations, had stated that, in its subsequent payments to the United Nations regular budget, Ukraine intended to be guided by the financial obligations devolving from the earlier established scale of assessments approved by consensus in resolution 46/221 of the General Assembly. Those data used to be submitted by the State Statistical Committee of the former Soviet Union following the appropriate processing and correction aimed at maintaining, by means of generalized purchasing power figures, the image of the Soviet Union as an industrially developed super-Power with a high standard of living. It was flattering to be the ninth largest contributor to the UNIDO budget, followed by Australia, Belgium, Netherlands, Saudi Arabia, Switzerland and Sweden. Concurrently, the size of its assessment of almost 2 per cent was viewed by the Government of Ukraine as historical nonsense, especially when for the second year running it was not even in a position for the above-mentioned reasons to pay its fixed assessment at its former level. Furthermore, it considered that that decision undermined seriously the basis of its full-fledged participation in the work of UNIDO.

6. The delegation of the Islamic Republic of Iran stated that it had many times, during the recent General Assembly sessions, made reservations on its scale of assessments because the statistics and information provided by the International Monetary Fund (IMF) according to which the scale was determined by the Committee on Contributions of the United Nations, were not correct. The delegation also stated that, in continuation of its post-war economic reforms, its Government had announced a single rate of exchange (effective 21 March 1993). That rate along with the latest amount of the population, which was over 60 million, and their implications for the gross national product and annual national income and expenditures had been submitted to the United Nations and its related financial institutions for due reconsideration and recalculation of the scale of assessments for the Islamic Republic of Iran. Therefore, the delegation had reservations in accepting the scale ascribed to that country for the 1994-1995 biennium with the understanding that, when a new scale of assessments was adopted for that country by the General Assembly, appropriate adjustments should be made with regard to its scale of assessment for the UNIDO regular budget. The delegation regretted that, with the withdrawal of Canada from UNIDO, a heavy financial burden had

been imposed on other Member States, especially the developing countries, by adding a substantial increase to their scale of assessment. For that reason, and for any level that the regular budget for 1994-1995 was agreed upon, the Government would only pay its assessed contribution to the next regular budget according to its scale of assessments set for the 1992-1993 biennium, namely 0.76 per cent.

7. The delegation of Argentina wished to express its concern regarding the economic and financial effects arising from both draft conclusions. As a consequence and as reflected in the information note circulated by the Secretariat on 29 April 1993, the delegation found itself in a situation where, for the 1994-1995 biennium, its country would have to contribute approximately $200,000 more than it had contributed in the previous biennium. The delegation did not wish to enter into technical details, but it appeared evident that that annual increase, which amounted to more than $100,000, exceeded any inflation adjustment. Its Government was not in a position to contribute such additional amounts. The delegation was aware of the financial difficulties that the Organization was encountering and that the new Director-General had undertaken to put it on a sound financial footing. While supporting that objective, the Government of Argentina was committed to a drastic programme of economic adjustment that implied control of public expenditure and included corresponding instructions to not agree to increases in contributions to international agencies. For that reason, the Argentine delegation wished to reserve its position relating to the conclusions that had just been adopted.

8. The delegation of Turkey expressed its reservation with regard to the new scale of assessments relating to the contribution of Turkey to the UNIDO budget. The position of the Government of Turkey would be clarified at the forthcoming session of the Industrial Development Board.

Recommendations for appointment of an external auditor
(cf. chap. VIII)

9. In connection with the adoption of conclusion 93/8, the delegation of India formally presented the candidature of the Comptroller and Auditor General of India for the assignment of External Auditor of UNIDO for 1994-1996. The delegation noted that, since 1986, that post had continuously been held by the developed countries. Within the overall United Nations system nearly two thirds of external audit work was being handled by a small group of developed countries. It would therefore be befitting for the External Auditor to be appointed from among the developing countries having the requisite expertise and capability. The organization of the Comptroller and Auditor General of India had all the necessary technical expertise, capability and experience to carry out this assignment to the full satisfaction of UNIDO and the Member States. It had had over 100 years of experience, over 10,000 well-trained officials and a wide and deep range of experience in auditing a large number of government, quasi-government and public sector enterprises. In the international field, that organization had a long record of participation in the work of international and regional associations of supreme audit institutions and moreover had provided training assistance to over 700 officials from more than 40 countries. The Comptroller and Auditor General of India had been appointed a member of the United Nations Board of Auditors for the term 1993-1996, which could provide a useful link with the auditing process of the United Nations system. The delegation hoped that the Director-General and the Industrial Development Board at its forthcoming session would take those facts into account when making the recommendations on the appointment of External Auditor of UNIDO.

10. Speaking on behalf of the Group of 77, the delegation of the Republic of Korea stated that the Group of 77 had considered that item carefully and noted that the assignment of External Auditor of UNIDO had continuously been held since 1986 by a representative from the developed countries. In the overall United Nations system, they understood, over 60 per cent of all external audit work was being carried out by auditors from a small group of developed countries. That imbalance needed to be corrected, particularly as the necessary expertise and capability for undertaking such tasks was also available in the developing countries. The Group therefore considered that the External Auditor of UNIDO for 1994-1996 should be appointed from among the developing countries. In that context the Group welcomed the candidature of the Auditor General of India and extended its general support to it.

Annex II

LIST OF DOCUMENTS SUBMITTED TO THE NINTH SESSION

Symbol	Agenda item	Title
PBC.9/1	3	Provisional agenda
PBC.9/1/Add.1	3	Annotated provisional agenda
PBC.9/2 IDB.11/2	6	Programme and budgets, 1994-1995. Proposals of the Director-General
PBC.9/3 IDB.11/3	8	Working Capital Fund for the biennium 1994-1995. Proposals by the Director-General
PBC.9/4 IDB.11/4	9	Industrial Development Fund and other voluntary contributions. Estimated resource level and programme for 1994-1995. Report by the Director-General
PBC.9/5 IDB.11/5	7	Scale of assessments for the apportionment of regular budget expenses. Scale of assessments for the fiscal period 1994-1995. Note by the Secretariat
PBC.9/6	12	Computerization programme of UNIDO. Report by the Director-General
PBC.9/7 and Corr.1	5	Interim financial performance report and programme performance report for the biennium 1992-1993. Interim financial performance report for the biennium 1992-1993. Submitted by the Director-General
PBC.9/8 IDB.11/6	4	Financial situation of UNIDO. Report by the Director-General
PBC.9/9 IDB.11/7	11	The financial situation of the UNIDO Country Director programme. Report by the Director-General
PBC.9/10 IDB.11/10	5	Annual Report of UNIDO, 1992
PBC.9/11	6	Implications of the withdrawal of Canada. Note by the Director-General
PBC.9/12	10	Recommendations for appointment of an external auditor. Note by the Secretariat
		* * *
PBC.9/CRP.1	9	Lists of projects approved under the Industrial Development Fund (IDF) in 1992. Prepared by the Secretariat
PBC.9/CRP.2	4	Financial situation of UNIDO. Update of document PBC.9/8. Report by the Director-General
PBC.9/CRP.3	-	List of participants